15 June 2011

NSWTVAL506A Assess Residential Property

Time allowed - Three hours plus Ten minutes reading time

3 Pages in this Question Booklet

TOTAL MARKS AVAILABLE = 100

Aids to be supplied by college:
• Examination Booklets.

Instructions to student:
• Mobile phones are to be turned off and removed from your person. You cannot access a mobile phone during this test.
• Financial calculators are permitted.
• All workings are to be shown.
• All questions are to be attempted.
• All questions are to be answered in the Examination Booklets provided.

Aids permitted where indicated:

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QUESTION 1.  (5 Marks)
Provide a brief description for the following terms:
1 (a) Mortgagee
1 (b) LVR
1 (c) Covenant
1 (d) Unit Entitlement
1 (e) Legal description

QUESTION 2.  (10 Marks)
When assessing residential property a valuer must record and keep field notes when undertaking a site inspection. The valuer would also need to use some “tools of the trade” to assist with the accurate recording of property information obtained during the site inspection.

(a)  List five (5) relevant items you would need to record as part of your field notes.
(b)  List five (5) “tools of the trade” you would take with to assist in your inspection of the property.

QUESTION 3.  (5 Marks)
In undertaking an assessment of an unimproved residential lot, the physical features of the land and the surrounding environment should be noted.

2 (a)  What affect do you believe the topography of the land will have upon your appraisal?
3 (b)  List and comment upon three (3) factors that lie outside a property’s boundary that may have an effect on the value of the property.

QUESTION 4.  (5 Marks)
When assessing the rental value of a strata residential unit, you notice that the strata levies for that strata complex are substantially higher than other complexes of comparable age and construction.

2 (a)  Provide two possible reasons for why the strata levies may be higher than other complexes.
3 (b)  Indicate how you think the higher strata levies will affect your assessment of the market value of that strata unit.

QUESTION 5.  (5 Marks)
How may the zoning of a particular parcel of land affect your assessment of market value for that land? Provide examples where necessary to support your answer.

QUESTION 6.  (5 Marks)
Provide a brief description of the purpose of receiving a letter of instruction from your client when undertaking any valuation task and list three things that the letter of instruction should include.
Marks

QUESTION 7. (16 Marks)
When assessing property values, valuers must use recognised valuation methods. Name and fully describe the two methods of valuation commonly used to value residential property. You may use examples where necessary to assist in your descriptions.

QUESTION 8. (15 Marks)
List 5 items that would be found on each of the following documents that would assist a valuer in undertaking an assessment of property.

5 (a) Certificate of Title
5 (b) Deposited Plan
5 (c) Strata Plan

QUESTION 9. (10 Marks)
You have been asked to assist a valuer in finding sales information. List 5 sources of information that you would use to find this information?

QUESTION 10. (12 Marks)
When undertaking an assessment of sales evidence, a valuer must be able to recognise “out of line sales” as they do not represent sound sales evidence. Provide four examples which you would regard as “out of line” and also a brief description of how the property value may be affected by this type of transaction.

QUESTION 11. (12 Marks)
Given the following site details and council codes, assess the residential development potential of the subject site. Your aim is to achieve the maximum allowable floor space on the site. Assume that the residential development proposed will comply with the zoning requirements of the local government area. Show all necessary working and calculations.

Site area: 2000 m²

Site Coverage:
1 storey – up to 50% of the site area
2 storeys – up to 40% of the site area
3 storeys or over – up to 30% of the site area

FSR: 1.5:1

END OF EXAMINATION